



DELINQUENCY POLICY

1) PAYMENTS

Owners' assessments are expected to be paid on time. Based on NC case law, there is no reason for an Owner to withhold their assessment. If this does not occur, the following actions will be taken:

Late >30 Days

- Late Letter from Association Manager
- Pay Penalty Fee of \$20
- Pay interest on the total unpaid amount based upon an 18% annual interest rate
- Pay administration collection costs

Late >60 Days

- Demand Letter via certified mail to all known addresses from Association Manager or Association Attorney with notice of future lien and suspension of privileges (common areas and amenities access), suspension of the voting rights of any member in default on any assessment
- Pay Penalty Fee of \$20
- Pay interest on the total unpaid amount based upon an 18% annual interest rate
- Pay any reasonable attorneys' fees or court costs incurred
- Pay administration collection costs

Late >90 Days

- Property Lien by Association Attorney
- Pay Penalty Fee of \$20
- Pay interest on the total unpaid amount based upon an 18% annual interest rate
- Pay any reasonable attorneys' fees or court costs incurred
- Pay administration collection costs

Any moneys paid will be applied to the oldest debts first.

In addition, the Owner's right to vote at members meeting will be suspended per the Declaration.

To implement the suspension, the Owner will be given a hearing before the Board with 10 day notice. After the hearing and Board's decision, the Owner has 5 days to correct the situation or the suspension will be imposed on the sixth day.

2) LIEN ACTIONS

After 90 days late, the Board authorizes the Association Manager to automatically seek a lien.

3) POST LIEN OPTIONS

- Option B - Foreclosure on the lien with auction notice to all Owners
- Option C - Collection Agency
- Option D - Payment Plan



4) PAYMENT PLAN

The Board authorizes the Association Manager to arrange late payment collections and to use their best judgment in negotiating a settlement/payment plan with the Owner on behalf of the Association.

5) RESALE

Upon resale of a unit, the closing attorney will seek a Certificate of Assessment from the Association Manager. Any delinquent amounts owed the Association will be collected at closing subject only to subordination of Mortgage or Mortgages, Deed of Trust or Deeds of Trust.

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